

BEFORE THE NEVADA STATE ENVIRONMENTAL COMMISSION

JUL 10 2008

IN THE MATTER OF:

VANDERBILT MINERALS CORPORATION)
NYE COUNTY, NV)

NOTICE OF ALLEGED AIR
QUALITY VIOLATION NO. 2137

BAPC/BAQP

ADMINISTRATIVE SETTLEMENT AND ORDER

The State of Nevada Department of Conservation and Natural Resources, Division of Environmental Protection, Bureau of Air Pollution Control (hereinafter referred to as the "DCNR-DEP-BAPC") issued Notice of Alleged Air Quality Violation and Order No. 2137 dated June 24, 2008, which alleged violation of **Nevada Administrative Code (NAC) 445B.275 "Violations: Acts constituting; notice."** The violations were issued to Vanderbilt Minerals Corporation (Vanderbilt) for operating without a valid air quality operating permit.

The Nevada State Environmental Commission has authority pursuant to **Nevada Revised Statutes (NRS) 445B.640** to impose administrative penalties of not more than \$10,000 per day for violations of **NRS 445B.100 to 445B.450, inclusive** and **NRS 445B.470 to 445B.640, inclusive** or any regulation in force pursuant thereto.

The DCNR-DEP-BAPC and Vanderbilt, hereinafter referred to as the Parties, do jointly desire to enter into this Administrative Settlement and Order to resolve the allegations contained in Notice of Alleged Air Quality Violation and Order No. 2137. The provisions of this Administrative Settlement and Order shall apply to and be binding upon all the Parties to this action, their officers, directors, agents, servants, employees, successors, and assigns.

The parties do hereby enter into this Administrative Settlement and Order.

RECEIVED


JUL 10 2008

ENVIRONMENTAL PROTECTION

FINDINGS

- 1 . Vanderbilt Minerals Corporation (Vanderbilt) operates a clay mining, processing, and bagging facility located near Beatty in Nye County, Nevada. On April 3, 2002, the Nevada Division of Environmental Protection - Bureau of Air Pollution Control (NDEP-BAPC) issued Class II Air Quality Operating Permit AP1459-1194 to Vanderbilt for this facility. The permit expired April 3, 2007.
- 2 . On May 13, 2008, an NDEP-BAPC inspector determined that the plant's operating permit had expired and issued a verbal stop order. On May 15, 2008, NDEP-BAPC issued written Stop Order 2008-04.
- 3 . Operating a facility without the required air quality operating permit constitutes an air quality violation under **NAC 445B.275 Violations: Acts constituting; notice**. The alleged violation constitutes a major violation under **NAC 445B.281 Violations: Classification; administrative fines**.
- 4 . On June 2, 2008, the NDEP-BAPC received a permit application from Vanderbilt.
- 5 . On June 24, 2008, the NDEP-BAPC held an enforcement conference with Vanderbilt to discuss the alleged air quality violation. The parties confirmed that Vanderbilt had operated the facility since Permit AP1459-1194 expired on April 3, 2007, but that Vanderbilt had complied with the verbal and written stop orders issued in May 2008.
- 6 . On June 24, 2008, the NDEP-BAPC issued Notice of Alleged Air Quality Violation and Order (NOAV) No. 2137 to Vanderbilt for operating without an Air Quality Operating Permit. This is Vanderbilt's second alleged violation within the last consecutive 60-month period, and the second NOAV issued for operating without a permit since May 2002. Because of the recurring nature of the violations, the base penalty of \$6,000 for NOAV No. 2137 has been increased by 40 percent to a total penalty of \$8,400.

6/27/08
Date



Lawrence Kennedy, P.E.
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

ORDER

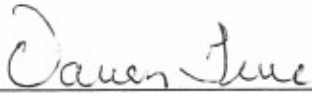
In consideration of the foregoing, IT IS ORDERED that:

1. Vanderbilt Minerals Corporation shall pay an administrative penalty to the State of Nevada in the amount of eight thousand, four hundred dollars (\$8,400) for the above named violations.

DATED this 27th day of
June, 2008


Leo M. Drozdoff, P.E.
Administrator
Div. of Environmental Protection
901 South Stewart St., Suite 4001
Carson City, NV 89701-5249

DATED this 8th day of
July, 2008


Mr. Darren True
General Manager
Vanderbilt Minerals Corporation
P.O. Box 6660
Pahrump, NV 89041

Administrative Settlement and Order entered in accordance with the foregoing this ____ day of
_____, 2008.

for the Nevada State Environmental Commission